



Ms. Joyce Spear
Rates and Tariffs Division
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

August 14, 2008

Re: Kentucky Utilities Company - Kentucky Jurisdictional 12-Months Ended December 31, 2007 Income Statement and Balance Sheet as of June 30, 2008 (Case Nos. 97-300, 2000-095, and 2001-104)

Dear Ms. Spear:

Enclosed is Kentucky Utilities Company's ("KU") response to the Commission's Order, dated September 12, 1997, in the Case No. 97-300, wherein the Commission directed KU to submit quarterly Twelve-Month Ended Income Statements and Balance Sheets on a Kentucky Jurisdictional and Other Jurisdictional operations basis. This information is also filed in response to the Commission's Order dated May 15, 2000, in Case No. 2000-095, *Summary of Findings, No. 8 and Appendix B, Reporting Requirements to be filed Quarterly, No. 3*. These commitments were repeated in the Commission's Order dated August 6, 2001, in Case No. 2001-104, *Appendix A, Operations and Financial, No. 1*.

Please confirm your receipt of this filing by placing the File Stamp of your Office with date received on the extra copy and returning it to me in the enclosed envelope.

Should you have any questions regarding the information filed herewith, please call me or Don Harris at (502)627-2021.

Sincerely,

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

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E.ON U.S. LLC

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KENTUCKY UTILITIES COMPANY

Balance Sheet
At June 30, 2008
Assets and Other Debits

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
<u>Utility Plant</u>				
Utility Plant	101-106	\$ 4,153,670,012	\$ 3,626,293,807	\$ 527,376,205
Plus: Construction Work in Progress	107	1,141,179,136	994,893,767	146,285,369
Total Utility Plant		\$ 5,294,849,147	\$ 4,621,187,574	\$ 673,661,573
Less: Accumulated Provision for Depreciation	108,111	1,991,981,965	1,724,641,847	267,340,118
Net Utility Plant		<u>\$ 3,302,867,182</u>	<u>\$ 2,896,545,727</u>	<u>\$ 406,321,455</u>
<u>Other Property and Investments</u>				
Non-Utility Property	121	\$ 179,121	\$ -	\$ 179,121
Less: Accum Prov for Depr and Amortization	122	-	-	-
Investment in Subsidiary Companies	123.1	23,379,358	-	23,379,358
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	411,140	-	411,140
Special Funds	125-128	6,113,217	-	6,113,217
Total Other Property and Investments		<u>\$ 30,082,836</u>	<u>\$ -</u>	<u>\$ 30,082,836</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ -	\$ -	\$ -
Special Deposits	132-134	46,075	40,528	5,547
Working Funds	135	34,517	30,362	4,155
Temporary Cash Investments	136	17,747	15,611	2,136
Customer Accounts Receivable	142	84,977,225	62,047,119	22,930,105
Other Accounts Receivable	143	26,152,575	23,124,789	3,027,786
Less: Accum Prov for Uncollectable Accts-Credit	144	2,529,071	2,236,270	292,801
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	344,613	307,184	37,429
Fuel	151	55,673,865	48,347,927	7,325,938
Plant Materials and Operating Supplies	154	28,419,719	23,354,035	5,065,684
Allowances	158.1	153,758	133,058	20,700
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	6,360,858	5,359,582	1,001,276
Prepayments	165	1,997,383	1,756,921	240,462
Interest and Dividends Receivable	171	25,903	22,784	3,119
Accrued Utility Revenues	173	52,799,000	50,685,000	2,114,000
Miscellaneous Current Assets -- Mark to Market	174	-	-	-
Total Current and Accrued Assets		<u>\$ 254,474,169</u>	<u>\$ 212,988,630</u>	<u>\$ 41,485,538</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 6,576,777	\$ 5,785,008	\$ 791,769
Unrecovered Plant and Regulatory Costs	182	-	-	-
Other Regulatory Assets	182.3	83,950,112	73,770,649	10,179,463
Preliminary Survey and Inventory	183	1,817,188	1,598,420	218,769
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	69,581,670	62,067,309	7,514,362
Unamortized Loss on Re-Acquired Debt	189	10,799,583	9,499,437	1,300,146
Accumulated Deferred Income Taxes	190	49,891,465	46,411,755	3,479,710
Total Deferred Debits		<u>\$ 222,616,795</u>	<u>\$ 199,132,577</u>	<u>\$ 23,484,218</u>
Total Assets and Other Debits		<u>\$ 3,810,040,981</u>	<u>\$ 3,308,666,934</u>	<u>\$ 501,374,047</u>

KENTUCKY UTILITIES COMPANY

Balance Sheet

At June 30, 2008

Liabilities and Other Credits

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Proprietary Capital				
Common Stock Issued	201	\$ 308,139,978	\$ 271,043,447	\$ 37,096,531
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	165,000,000	145,135,886	19,864,114
Other Comprehensive Income		-	-	-
Capital Stock Expense	214	(321,289)	(282,609)	(38,680)
Retained Earnings	215-216	1,089,791,757	958,593,289	131,198,468
Unappropriated Undistributed Subsidiary Earnings	216.1	21,833,558	19,205,047	2,628,511
Total Proprietary Capital		\$ 1,584,444,004	\$ 1,393,695,060	\$ 190,748,944
Long Term Debt				
Bonds	221	\$ 303,159,520	\$ 266,662,580	\$ 36,496,940
Long Term Debt Marked to Market	221200	-	-	-
Long Term Debt To Associated Companies	233006	1,006,000,000	884,889,102	121,110,898
Other Long Term Debt	224	-	-	-
Unamortized Premium on Long Term Debt	225	-	-	-
Total Long Term		\$ 1,309,159,520	\$ 1,151,551,682	\$ 157,607,838
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	-	-	-
Accumulated Provision for Pensions and Benefits	228.3	86,820,281	77,390,574	9,429,707
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 86,820,281	\$ 77,390,574	\$ 9,429,707
Current and Accrued Liabilities				
Notes Payable	231	-	-	-
Accounts Payable	232	169,448,317	151,044,230	18,404,087
Notes Payable to Associated Companies	233	75,443,454	66,360,925	9,082,529
Accounts Payable to Associated Companies	234	38,973,508	-	38,973,508
Customer Deposits	235	20,035,431	19,242,774	792,657
Taxes Accrued	236	2,085,830	1,834,720	251,110
Interest Accrued	237	11,957,340	10,517,813	1,439,527
Dividends Declared	238	-	-	-
Matured Long Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	3,287,722	2,810,970	476,752
Miscellaneous Current and Accrued Liabilities	242	11,789,462	11,338,567	450,895
Total Current and Accrued Liabilities		\$ 333,021,064	\$ 263,149,999	\$ 69,871,065
Deferred Credits				
Customer Advances for Construction	252	\$ 2,355,756	\$ 2,341,943	\$ 13,813
Accumulated Deferred Investment Tax Credits	255	67,766,958	57,991,894	9,775,064
Other Deferred Credits	253	25,359,609	22,427,449	2,932,160
Other Regulatory Liabilities	254	38,137,477	33,019,118	5,118,359
Asset Retirement Obligation	230	31,290,104	27,077,487	4,212,617
Miscellaneous Long Term Liability Due to Associated Companies	234	3,061,289	2,692,745	368,544
Accumulated Deferred Income Taxes	281-283	328,624,920	305,704,774	22,920,146
Total Deferred Credits		\$ 496,596,113	\$ 451,255,410	\$ 45,340,703
Total Liabilities and Other Credits		\$ 3,810,040,981	\$ 3,337,042,725	\$ 472,998,257

KENTUCKY UTILITIES COMPANY
Statement of Income
Twelve Months Ended June 30, 2008

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Other Income and Deductions are not separated on a jurisdictional basis.				
<u>Other Income and Deductions</u>				
Total Other Income		\$ 40,545,583		
Total Other Income Deductions		5,254,543		
Total Taxes on Other income and Deductions		241,032		
Net Other Income and Deductions		\$ 35,050,008		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 59,776,511		
Amortization of Debt Discount and Expense	428	730,660		
Amortization of Loss on Re-Acquired Debt	428.1	-		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	4,146,194		
Other Interest Expense	431	1,139,784		
Allowance for Borrowed Funds Used During Construction	432	(1,616,357)		
Net Interest Charges		\$ 64,176,793	\$ 57,800,485	\$ 6,376,308
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 160,691,289		